

Message Text

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SUBJ: FRG FOREIGN MINISTER VISITS INDONESIA

1. SUMMARY. FOREIGN MINISTER GENSCHER VISITED INDONESIA APRIL 25 - 28, AND HELD DISCUSSIONS WITH HIGH-LEVEL GOI OFFICIALS INCLUDING PRESIDENT SUHARTO AND FOREIGN MINISTER ADAM MALIK. MAIN FOCUS OF THE VISIT WAS APPARENTLY TO UNDERScore FRG'S INTEREST IN IMPROVING BILATERAL ECONOMIC RELATIONS. THE GOI SIGNALLED A WILLINGNESS TO RECONSIDER THE FOREIGN CAPITAL INVESTMENT LAW AND, ACCORDING TO GENSCHER, HAS COME TO AN AGREEMENT WITH FRG ON THE DOUBLE TAX SYSTEM. DURING THE PRESS CONFERENCE IN JAKARTA ON APRIL 27, FOREIGN MINISTER GENSCHER DECLARED THAT BILATERAL RELATIONS AS WELL AS EEC-ASEAN RELATIONS HAD NOW ENTERED A "NEW ERA" IN WHICH RELATIONS HAD BEEN BROADENED TO INCLUDE POLITICAL COOPERATION. THE FRG, GENSCHER SAID, WAS NOW PREPARED TO MEDIATE IN THE EEC-ASEAN DIALOGUE. GENSCHER STATED POIGNANTLY THAT THE BILATERAL AGREEMENT ON THE DOUBLE TAX SYSTEM QTE WAS AMONG THE MOST IMPORTANT CONDITIONS FOR SUPPORTING THE ASEAN-EEC COLLABORATION END QTE. END SUMMARY.

2. WEST GERMAN FOREIGN MINISTER, MR. HANS-DIETRICH GENSCHER, VISITED JAKARTA AND BALI APRIL 25-28 ACCOMPANIED
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BY A 115 MEMBER DELEGATION INCLUDING LEADING GERMAN BUSINESSMEN AND JOURNALISTS. DURING THE VISIT, GENSCHER HELD WORKING SESSIONS WITH GOI FOREIGN MINISTER ADAM MALIK, MINISTER OF STATE FOR ECONOMIC, FINANCIAL AND INDUSTRIAL AFFAIRS AND CONCURRENTLY CHAIRMAN OF THE NATIONAL PLANNING BOARD (BAPPENAS) WIDJOJO NITISASTRO, MINISTER OF MINING MOHAMAD SADLI, MINISTER OF TRADER

RADIUS PRAWIRO AND THE SECRETARY GENERAL OF ASEAN H.R. DHARSONO. GENSCHER ALSO PAID COURTESY CALLS ON PRESIDENT SUHARTO AND VICE PRESIDENT SULTAN HAMENGKUBUWONO. HIS CALL ON PRESIDENT SUHARTO LASTED TWO HOURS DURING WHICH SUHARTO REPORTEDLY GAVE A DETAILED BRIEFING OF INDONESIA'S ECONOMIC COOPERATION WITH IGGI AS WELL AS OF FUTURE ECONOMIC BILATERAL COOPERATION WITH WEST GERMANY.

3. ACCORDING TO THE FRG EMBASSY IN JAKARTA, WHICH ISSUED SEVERAL PRESS RELEASES PRIOR TO THE ARRIVAL OF FOREIGN MINISTER GENSCHER, THE PARTICIPATION IN THE VISIT OF THIRTY TOP BUSINESS AND BANKING EXECUTIVES ACCOMPANYING THE DELEGATION, HEADED BY THE STATE MINISTER TO THE GENERAL MINISTRY FOR ECONOMIC AFFAIRS MARTIN GRUNER, SIGNIFIED THE HIGH INTEREST OF THE FRG IN IMPROVING BILATERAL ECONOMIC RELATIONS. THE GROUP REPRESENTED A BROAD SPECTRUM OF WEST GERMAN INDUSTRY THAT INCLUDED CHEMICALS, STEEL, ELECTRICAL AND MECHANICAL TECHNOLOGY, SHIP BUILDING, MARITIME TECHNOLOGY, CAR MANUFACTURING, CONSTRUCTION, BANKING AND TRADE.

4. THE THIRTY GERMAN JOURNALISTS ACCOMPANYING THE DELEGATION, THE LARGEST EVER TO VISIT INDONESIA, LIAISONED WITH THE DEPARTMENT OF INFORMATION, THE INDONESIAN JOURNALISTS ASSOCIATION (PWI) AND THE NEWSPAPER PUBLISHERS ASSOCIATION (SPS).

5. THE OFFICIAL COMMENTARY ON THE VISIT, AS CARRIED UNCLASSIFIED

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BY THE PRESS, SUGGESTED THAT THE PRIMARY FOCUS OF THE TALKS WAS ON BILATERAL RELATIONS EVEN THOUGH CONSIDERABLE PRESS ATTENTION CENTERED ON THE BROADER MULTILATERAL RELATIONSHIPS, PARTICULARLY THE EEC-ASEAN DIALOGUE. THE PRESS QUOTED FOREIGN MINISTER ADAM MALIK CHARACTERIZING THE TALKS QTE ... AS IMPORTANT AND WIDE-RANGING, PARTICULARLY CONCERNING FUTURE COOPERATION BETWEEN THE TWO GOVERNMENTS END QTE. PRESIDENT SUHARTO, IN REPLY TO A QUESTION, CONCEDED THAT QTE THE INDONESIAN GOVERNMENT (WILL) RECONSIDER THE FOREIGN CAPITAL INVESTMENT LAW TO FURTHER FOSTER COOPERATION BETWEEN THE GOVERNMENT AND FOREIGN BUSINESSMEN OPERATING IN INDONESIA END QTE. FOREIGN MINISTER GENSCHER ANNOUNCED DURING HIS PRESS CONFERENCE ON APRIL 27 THAT THE TWO GOVERNMENTS HAVE CONCLUDED NEGOTIATIONS ON A DOUBLE TAX SYSTEM AND WILL BE SIGNING AN AGREEMENT SOON. DURING THE COURSE OF HIS VISIT TO JAKARTA, GENSCHER WAS QUOTED AS HAVING SAID: QTE THE NUMEROUS AND HIGH RANKING BUSINESS DELEGATION

WHICH ACCOMPANIES ME IS A SIGN OF THIS INTEREST. HAVING
IN MIND THE WORLDWIDE ECONOMIC INTERDEPENDENCE, THE
FEDERAL REPUBLIC OF GERMANY HAS CONTRIBUTED SINCE
OVER 15 YEARS TO THE ECONOMIC DEVELOPMENT OF INDONESIA.
BY RECEIVING CAPITAL AID OF FAR OVER 1,000 MILLION DM,
INDONESIA IS ONE OF OUR MOST IMPORTANT PARTNERS IN
ECONOMIC COOPERATION, WHICH WE INTEND TO CONTINUE END
QTE.

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6. SPEAKING TO THE POLITICAL ASPECTS OF THE BILATERAL
RELATIONSHIP, GENSCHER SAID: QTE FOR THE FEDERAL GOVERN-
MENT, INDONESIA IS AN IMPORTANT PARTNER IN THE THIRD
WORLD AND IN THE MOVEMENT OF THE NON-ALIGNED COUNTRIES
WHICH STARTED WITH THE CONFERENCE IN BANDUNG. WE
COUNT INDONESIA AMONG THOSE WHO ADVOCATE A CONSTRUCTIVE
AND REALISTIC BALANCE OF INTEREST IN THE NORTH-SOUTH
DIALOGUE END QTE. IN REPLY TO A QUESTION DURING THE
PRESS CONFERENCE ON APRIL 27, GENSCHER'S PRESS SPOKESMAN
STATED THAT, IF NECESSARY, WEST GERMANY WOULD BE PREPARED
TO SUPPLY SMALL ARMS TO INDONESIA. IN ANSWER TO A SIMILAR
QUESTION, GENSCHER SAID THAT THE ISSUE OF ARMS SALES TO
INDONESIA WAS NOT DISCUSSED DURING HIS VISIT TO JAKARTA.

7. ASEAN AND THE ASEAN-EEC DIALOGUE: FOREIGN MINISTER
GENSCHER SAID HE REGARDED INDONESIA AS THE "NUCLEUS"
FOR THE INTEGRATION OF ASEAN. HIS VISIT TO JAKARTA,
QTE THE SEAT OF THE ASEAN SECRETARIAT END QTE, IS
"PROOF" OF THE INTEREST THE FRG AND THE EEC ARE TAKING
IN ASEAN; QTE... THE COMBINATION OF NATIONAL INDEPENDENCE
WITH REGIONAL COOPERATION AND INTEGRATION CORRESPONDS
TO OUR OWN POLITICAL IDEAS END QTE. GENSCHER

WELCOMED ASEAN'S EXPRESSED DETERMINATION TO KEEP
SOUTHEAST ASIA FREE OF "FOREIGN INFLUENCES" AND TO
PROCEED WITH INTEGRATION AS THE MOST EFFECTIVE WAY
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TO MAINTAIN PEACE AND STABILITY IN THE REGION. HE
DECLARED THAT BILATERAL RELATIONS AS WELL AS EEC-ASEAN
RELATIONS HAD NOW ENTERED A "NEW ERA" IN WHICH RELATIONS
HAD BEEN BROADENED TO INCLUDE POLITICAL COOPERATION.
HE STATED THAT HIS COUNTRY QTE IS NOW READY TO
MEDIATE IN THE COOPERATION BETWEEN ASEAN AND THE EEC
END QTE. TO IMPLEMENT THIS, GENSCHER SAID, THE FRG
AND INDONESIA HAVE QTE AGREED TO HOLD CONSULTATIONS,
IN WHICH ASEAN ON THE ONE SIDE AND THE EEC ON THE OTHER,
(CAN) MAKE THE NECESSARY PREPARATIONS FOR THE FORTHCOMING
NORTH-SOUTH DIALOGUE IN PARIS END QTE. GENSCHER DECLARED
THAT THE EEC SUPPORTED THE INTEGRATION OF ASEAN AND
WAS PREPARED TO SHARE ITS EXPERIENCES AND TO EXPAND
ECONOMIC RELATIONS. TO THIS END, HE SAID, CONTACTS HAVE
ALREADY BEEN ESTABLISHED BETWEEN THE TWO BODIES.
REFERRING TO HIS RECENT DISCUSSIONS WITH INDONESIAN
OFFICIALS, GENSCHER STATED POIGNANTLY THAT THERE WAS
A CONSENSUS THAT THE QTE AGREEMENT ON THE DOUBLE TAX
SYSTEM WAS AMONG THE MOST IMPORTANT CONDITIONS FOR
SUPPORTING THE ASEAN-EEC COLLABORATION END QTE.

8. INTERNATIONAL ISSUES: GENSCHER'S DISCUSSIONS WITH
INDONESIAN OFFICIALS ALSO TOUCHED ON CURRENT PEACE
EFFORTS IN THE MIDDLE EAST AS WELL AS RACIAL DISCRIMINA-
TION IN SOUTH AFRICA. ON THE LATTER ISSUE, THE PRESS
QUOTED GENSCHER SAYING THAT "SUCH DISCRIMINATION SHOULD
BE ABOLISHED."

9. EDITORIAL COMMENT DURING FOREIGN MINISTER GENSCHER'S
VISIT TO JAKARTA WAS RELATIVELY SPARSE. THE MAJOR
DAILIES IN JAKARTA CONFINED THEIR REMARKS TO
SUCH OBSERVATIONS AS NOTING THE ABSENCE OF SERIOUS
BILATERAL ISSUES BETWEEN THE TWO COUNTRIES, AND THEREFORE
THE POSSIBILITY OF DEVELOPING A MORE MEANINGFUL
BILATERAL RELATIONSHIP. IN THIS CONNECTION, ONE MAJOR
DAILY, THE KOMPAS, HIGHLIGHTED THE RELATIVELY CONSERVATIVE
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POSTURE OF THE FRG IN INTERNATIONAL FORA AND URGED A MORE
PROGRESSIVE STANCE SIMILAR TO THAT OF THE NETHERLANDS
AND THE SCANDINAVIAN COUNTRIES IN THE NORTH-SOUTH

DIALOGUE.

10. THE AMBASSADOR'S DISCUSSIONS WITH THE GERMAN
AMBASSADOR AND FOREIGN MINISTER MALIK ON THE SUBSTANCE
OF GENSCHER'S MEETINGS IN JAKARTA WILL BE REPORTED
BY SEPARATE CABLE.
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